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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FCC MAIL ROOM

In the Matter of)	
)	
Replacement of Part 90 by Part 88 to)	PR Docket No. 92-235
Revise the Private Land Mobile Radio)	
Services and Modify the Policies)	
Governing Them)	
)	
and)	DOCKET FILE COPY ORIGINAL
)	
Examination of Exclusivity and)	
Frequency Assignment Policies of)	
the Private Land Mobile Radio Services)	

September 14, 1995

COMMENTS OF RITRON, INC.

RITRON, INC. (hereinafter "Ritron") the original manufacturer of low-cost "color dot" transceivers for first time private radio users, respectfully submits these Comments in response to the Further Notice of Proposed Rule Making ("FNPRM").

On behalf of the Americans using millions of low power FM radios, we thank the Commission for providing some consideration for the "color dot" channels in the Report and Order released June 23, 1995.

We make the following comments in order to ensure that the efficient use of these channels by American businesses and other organizations is not jeopardized.

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"Color Dot" Channel Users Harmed by the Report and Order

In its Report and Order, the FCC's technical action has significantly burdened the present and future users of these channels with increased costs.

We respectfully correct the Commission's implication in paragraph 99 of the Report and Order that in its comments Ritron requested that the "color dot" frequencies be retained as 12.5 KHz radios. In fact, Ritron asked for protection for these "conventional FM channels" by providing an "adjacent guard band".

In the Report and Order's channel plan, the Commission created new full power channels only 10 and 15 KHz adjacent to the VHF "color dot" frequencies. This is insufficient to protect the existing population of "color dot" radios from unacceptable interference as soon as those adjacent frequencies begin to be used after August 16, 1996.

This will require that the user replace their existing radios with new 12.5 KHz radios. This new generation of 12.5 KHz transceivers will be fundamentally more expensive because of more demanding technical requirements.

Additionally, new entry level users of "color dot" channels will have to buy these more expensive transceivers.

Possibility of Further Harm

History proves that users of this low-cost service cannot and will not pay fees. The FNPRM could be implemented to add fees and service charges to the use of "color dot" frequencies.

Monopolistic costs will be placed on these users if the Commission allows acquisition of these channels by auction. The charges imposed by a "service provider" or owner of these channels would be unnecessary and stifling.

Additionally, as stated in our previous comments, the present cost of licensing and coordinating "color dot" frequencies has led the majority of users to operate without a license. The current fees total \$147.00 to license and coordinate frequencies for a pair of radios that each cost less than \$200. Coordination serves no useful purpose. The "color dot" frequencies are inherently "self coordinating" due to the nature of these low power and short range applications. User fees for frequencies would be viewed as a part of an even more expensive license fee.

Therefore we strongly recommend for the "color dot" frequencies that the Commission:

- 1) not apply Exclusive Use Overlay (EUO) and auctioning,
- 2) not require or collect user fees,
- 3) charge no license application fee to encourage licensing,
- 4) not require coordination or coordination fees.

Unnecessary Market Burdens

Furthermore, the FNPRM is fundamentally flawed. The Commission claims as justification for the FNPRM that, "We do not believe that the current shared regulatory environment contains the proper incentives to encourage efficient spectrum usage."

We strongly disagree with this position. We believe that the mere existence of an increased number of channels (room for more users) created by new technologies will in fact be enough incentive for the market.

History has proven this to be true. Advances in technology and additional channels allowed users to migrate from the 30-50 MHz VHF low band, to the 150-174 MHz VHF high band, to 450-470 MHz UHF and to 800 MHz and cellular without contrived market incentives.

The Commission has further stated "without significant regulatory changes in the bands below 512 MHz , the quality of PLMR communications will likely deteriorate to the point of endangering public safety and the national economy". Ritron believes that this deterioration has already begun in major metropolitan areas as evidenced by the complaints that we hear from our dealers and end user customers. However, Ritron also believes making available more channels is more than adequate market incentive to insure a timely migration to spectrum efficient technologies.

PLMR users will act in their own best interests by selecting an acceptable level of service without prodding or penalties imposed by the Commission.

Auctioning the spectrum and/or user fees are actions that will impose an economic penalty on the users of the spectrum without concurrent benefit. Ritron therefore recommends that the Commission not auction the spectrum or impose user fees. The market incentives that encourage migration to spectrum efficient technologies already exist. They are to avoid frequency congestion, interference and obtain an acceptable quality of service. Again, as history proves, the creation of additional channels causes the market to migrate. In this case, migrate to spectrum efficient technologies.

The Burden of New Taxes

Another serious flaw is contained in paragraph 141 which states "Finally, competitive bidding can raise substantial new revenues for the U.S. Treasury, ensuring that the public receives compensation for the use of the valuable spectrum resource." Auctions and user fees are in fact a very real and obnoxious new tax. Does the Commission realize this money must come from the public that pays for these new services?

The auction and user fee process will encourage speculation and the evolution of monopolies and a "charge what the traffic will bear" market that will stifle economic growth by limiting use.

Public Safety

We believe that Public Safety users should not be subject to auction and not be charged user fees. Auctions and fees would require additional local taxes to transfer these monies to the Federal government. It should be the responsibility of the Commission to ensure that each Public Safety licensee show need and demonstrate continued efficient utilization of radio spectrum.

Exclusivity

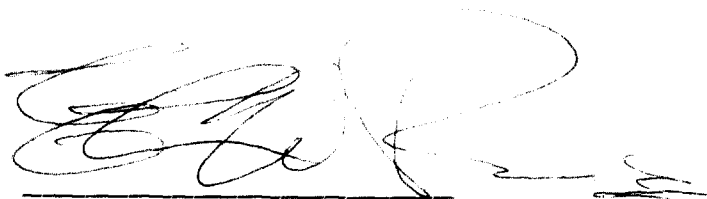
We believe that existing users of shared channels deserve the opportunity to cooperate and convert their channels to exclusive licenses free of auctions and user fees.

Conclusions

We have shown why the Commission should not subject "color dot" frequencies to auctioning, coordination, user fees or excessive license application fees.

For other shared use frequencies, regarding auctions and user fees, we recommend that the Commission not impose these counterproductive and burdensome "market-based incentives".

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'E. W. Rice III', is written over a horizontal line.

E. W. Rice III, President
RITRON, INC. 505 West Carmel Drive Carmel, IN 46032